



THE STATE OF UTAH BROADBAND PROJECT

Utah Broadband Advisory Council

Wednesday, December 14, 2011

12:00-1:30 p.m.

Ballard Spahr Offices

Attendees:

Tara Thue, Governor's Office of Economic Development
Kelleigh Cole, Governor's Office of Economic Development
Chris Conabee, Governor's Office of Economic Development
John Harvey, Utah Public Service Commission
Carol Revelt, Utah Public Service Commission
Nancy Grisel, Governor's Office of Planning and Budget
Lynn Yocom, Utah Department of Transportation
Linda Toy Hull, Utah Department of Transportation
Shirlee Silversmith, Utah Division of Indian Affairs
Randy Simmons, Utah State University
Kristen Dawson, Utah State University
Deb LaMarche, Utah Telehealth
Mike Peterson, Utah Education Network
Jeff Egly, Utah Education Network
Dennis Sampson, Utah Education Network

Lincoln Shurtz, Utah League of Cities and Towns
Stan Stoll, Utah Rural Telecom Association
Jerry Oldroyd, Ballard Spahr
Sharon Bertelsen, Ballard Spahr
Brigham Mellor, EDCUtah
Sherrie Martell, EDCUtah
Brock Johansen, Emery Telcom
Jared Anderson, Emery Telcom
Eric Isom, CenturyLink
Steve Taylor, All West Communications
Dave Ryan, Strata Networks
Tyler Rasmussen, Strata Networks
David Gray, Comcast
Douglas Meredith, John Staurilakis, Inc.
Debra Meyer, U.S. Department of Agriculture
Steve Proctor, Utah Communications Agency Network

Summary:

Randy Simmons, a Professor of Political Economy at Utah State University, reported on the Utah Broadband Project's recent demand survey conducted in October 2011. The survey asked 900 Utah residents (477 rural residents and 433 urban residents) questions about their broadband availability and usage. The survey found that having access to high-speed Internet at home is highly correlated with location, income, and other demographic considerations.

According to the survey results, 9% of urban and 16% of rural residents reported not having broadband access at home; outside of the home, the top three places respondents reported accessing the internet were at work (51.17%), at someone else's home (34.70%) and at school (31.76%); And, rural residents were more willing to pay for broadband access than urban residents. According to the survey results, 65.54% of rural residents, compared with 39.07% of urban residents were willing to pay \$26 to \$50 a month for broadband access. A report and summary of the survey findings will be posted to the Project website as soon as it is finalized.

Douglas Meredith, Director of Economics and Policy at John Staurulakis, Inc. presented on the Federal Communications Commission's (FCC) recent decision to transition the existing Universal Service Fund (USF) and intercarrier compensation (ICC) systems into the new Connect America Fund (CAF). The CAF will combine the current ICC and USF funds and will have an annual cap of \$4.5 billion. It will be divided into five areas which include \$2 billion for rate-of-return carriers, \$1.8 billion for price-cap carriers, \$500 million to create a mobility fund for mobile broadband providers, \$100 million for satellite broadband providers and \$100 million for administrative support. Douglas also reported on changes to specific types of carriers and the probable effects those changes could have on carriers in the State.

The FCC has defined broadband as data transmission speeds of at least 4 Mbps for download speeds and 1 Mbps for upload speeds. In five years, this definition will be upgraded to a minimum download speed of 6 Mbps and a minimum upload speed of 1 Mbps. It is not yet clear how the FCC will make determinations for allocating CAF funds using data gathered by states for the National Broadband Map.

The program is scheduled to take effect on January 1, 2012 and also includes transitioning the current inter and intrastate ICC programs to a bill-and-keep structure where only the originating carrier is paid for transferring the call.

Following the presentations, Advisory Council members were asked to submit written recommendations regarding their specific areas of expertise to the Utah Broadband Project. Those recommendations will be discussed at the next meeting on January 12.